GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5048
ANSWERED ON:31.03.2017
Study on CSR
Singh Shri Sushil Kumar;Venkatesh Babu Shri T.G.

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether there has been any structured study on the impact of the enforcement of the Act pertaining to Corporate Social Responsibility (CSR) and if so, the details along with the outcome thereof;

(b) if not, the reasons therefor and whether the Government will consider undertaking any such study and if so, the details thereof;

(c) whether the Government is aware of the hurdles being faced by the corporate houses due to lack of clarity on laws and tax regulations in the implementation of CSR projects; and

(d) if so, the details thereof and the action taken by the Government to overcome all the problems being faced by the corporate houses and the progress made so far on the activities of CSR?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF CORPORATE AFFAIRS (SHRI ARJUN RAM MEGHWAL)
???????? ????? ???????? ??? ????? ?????? (???? ?????? ??? ??????)

(a) & (b): No, Madam. Ministry of Corporate Affairs does not propose to undertake any such study at present. The MCA 21 systems captures the sector-wise and state-wise expenditure on Corporate Social Responsibility (CSR) through annual filings of the companies.

(c) & (d): Based on the feedback received from various stakeholders, the Ministry has (i) amended Schedule VII of the Act to ensure that a wide range of activities are permissible CSR activities ; (ii) issued clarificatory circular and Frequently Asked Questions (FAQs) dated 18.06.2014 and 12.01.2016 respectively; (iii) issued amendments to the Companies (Corporate Social Responsibility Policy) Rules, 2014, to (a) include 'expenditure on administrative overheads' for CSR as permissible CSR expenditure and (b) facilitate pooling of resources by companies to undertake CSR activities; and (iv) included amendments of Section 135 in the Companies (Amendment Bill, 2016).

With regard to tax regulations, the Finance Act, 2014 states that expenditure on CSR does not form part of business expenditure.
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